MARLBORO
REDEMPTION PROGRAM
ON-SITE EXECUTION

ON-SITE EXECUTION SERVICES/RESPONSIBILITIES:

- Provide PM on-site manager for each Club night;
- Provide labor to receive from approximately 1,000 invited YAS (and their guests) 21 years of age and older will redeem 300 miles at entrance of club/venue;
- Secure relinquished miles and forward to designated PM address;
- Conduct labor orientation/training sessions in each market;
- Collect direct-mail piece/invitation with reliquinished miles at entrance of club/venue;
- Place banners, promotional displays, promotion tables and other materials at locations in and around the Clubs in accordance with applicable local regulations and the terms and conditions of the Club Agreements two hours prior to doors opening;
- Remove temporary promotional materials at the conclusion of the evening;
- Attend meetings as and when requested by PM at PM headquarters in New York, or at other locations designated by PM;
- Perform in accordance with the highest industry standards prevailing for similar professional services within the United States;
- Representatives of PM may be present at each club/venue during event to see that Supplier and Clubs comply with the terms and conditions of the Agreement and Club Agreements. Supplier will cooperate with the representatives and with third parties by PM if, as and when reasonably requested by PM; and
- PM will supply or have the right to approve or reject in advance, all material to be used, and the manner of such use, at or in connection with the Event, including advertising and promotional materials;
- Provide a wrap-up report within one week of conclusion of the Event.

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Source: https://www.industrydocuments.ucsf.edu/docs/pyhn0004

BUDGET/EXPENSES/RECONCILIATION

- Provide to PM an operating budget, subject to approval, including a schedule of payments as advances against expenses;
- Funds allocated to one budget category may not be allocated to expense incurred in another category without the prior, written, approval of PM;
- Provide PM, within 30 days of each advance, a reconciliation of that advance and details of the actual amounts incurred by Supplier during that time period. If the advance exceeds actual spending, a check for the difference must accompany the reconciliation. If actual spending exceeds the advance (and was approved in advance by PM) an invoice for the difference must accompany the reconciliation;
- All expenses incurred in excess of $25 must be submitted with receipts;
- All expenses in excess of $250 which are not included in a budget approved by PM must be approved in advance by PM;
- Provide a total reconciliation, with appropriate documentation, at the end of the contract period;
- Maintain detailed and accurate books and records of the account;
- Records must include check number, dollar amount, identify of payee and reason for expenditure;
- Final accounting must be certified by an appropriate officer or authorized representative of the Supplier; and
- PM shall have the right, at any reasonable time and place, to inspect, review and copy Supplier's books and records during the term of the Agreement and for six months thereafter.

CONFIDENTIALITY

- Supplier, its employees and agents will hold all information and materials provided by PM as strictly confidential and will be required to execute confidentiality agreements in that regard.

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Source: https://www.industrydocuments.ucsf.edu/docs/pyhn0004

TERMINATION

- Promoter agreement may be terminated by Philip Morris with or without cause upon 30 days notice to Promoter; and

- If any federal, state, municipal or local law, regulation, ordinance, order, ruling, judgment, consent decree or other governmental action becomes effective which makes the promotion of tobacco products as contemplated unlawful, impracticable or, in the judgment of Philip Morris, materially reduces the value of this program to Philip Morris, the Promoter agreement may be terminated by Philip Morris as of the date of the law, regulation, ordinance, order, ruling, judgment, consent decree or action becomes effective. If the Promoter agreement is so terminated, Promoter will refund to Philip Morris all amounts paid to Promoter by Philip Morris in connection with the program. Promoter may deduct from the refund all documented non-recoverable cots properly incurred by Promoter on behalf of Philip Morris in connection with the program. Promoter will immediately deliver documentation for all such costs so deducted.

INDEMNITY

- Supplier will indemnify and hold harmless PM for any claim that arises from any error, omission or fault of the Supplier; and

- PM will indemnify and hold harmless Supplier for any claim that arises from any error, omission or fault of PM.

EXCLUSIVITY

- Supplier will not, for the full term of the Agreement and for six months thereafter, engage in similar activities for any person, company or other entity the business of which competes with any tobacco product of PM.

INSURANCE

- Provide comprehensive general liability coverage, including advertiser, contractual, spectators' and participants' liability, with a combined single limit of no less than $5,000,000 per occurrence for bodily injury, including personal injury, and property damage;

- Provide comprehensive automobile liability for all owned, non-owned, and hired vehicles with bodily injury limits of no less than $5,000,000 per person, $5,000,000 per accident and property damage limits of no less than $5,000,000 per accident;

- Provide statutory worker's compensation coverage meeting all state and local requirements including coverage for employer's liability with limits of no less than $500,000;

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Source: https://www.industrydocuments.ucsf.edu/docs/pyhn0004

- Evidence of all insurance coverage must name PM, its affiliates, agents, representatives, employees and assigns as additional insured and must state that PM will be provided at least 30 days advance, written notice of a cancellation or modification of the insurance;

- All insurance must be primary coverage without right of contribution from any other PM insurance;

- Supplier must provide comparable evidence of coverage from all subcontractors with the same provisions as to the naming of PM as additional insured.

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Source: https://www.industrydocuments.ucsf.edu/docs/pyhn0004

JOE: EMI WILL SUBMIT BUDGET ON MONDAY, JULY 20, 1998

ON-SITE EXECUTION BUDGET-ONLY
OPERATING BUDGET (OUT-OF-POCKET EXPENSES)

I. Travel Expenses
New York City Philip Morris Planning Trips

II. Local Staff
6 nights x 8 hours x 10 surveyors = 480 hours @ ? an hour =

2 Local Manager (s)
2 managers per market 4 days each =

III. Orientation/Training
Hotel/Meeting Room Expenses
-Refreshments

VI. Administrative Costs
Telephones
Mail (Post Office/Fed Ex)
Total for Administrative Costs (Reimbursed)

V. Warehouse Costs
2 warehouses (1 per market)

Please note the fact that all other costs associated with the execution of the program must be billed to PM at actual cost.

PM will require monthly invoices for fees earned and expenses incurred. Payment terms for all invoices are net 30.

First class air transportation is not reimbursable. All flights must be economy class.

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Source: https://www.industrydocuments.ucsf.edu/docs/pyhn0004

MARLBORO
REDEMPTION PROGRAM
PROMOTER

PROMOTER SERVICES/RESPONSIBILITIES

- Secure and contract "A" level recording artists for 2 market tour, total of 6 Events;
- Artist must agree to socialize with consumers for a period of 45 minutes to provide an autograph and picture session;
- Secure and contract 1,000 - 1,500 capacity club/venue in 2 markets;
- Secure and contract caterer in each club/venue to provide food/beverages (Marlboro Cookbook recipes) for approxiately 1,500 consumers per night;
- Secure and contract Host/Celebrity DJ's for 2 markets, total of 6 Events;
- Attend meetings as and when requested by PM at PM headquarters in New York, or at other locations designated by PM;
- Perform in accordance with the highest industry standards prevailing for similar professional services within the United States;
- Representatives of PM may be present at each club/venue during event to see that Supplier and Clubs comply with the terms and conditions of the Agreement and Club Agreements. Supplier will cooperate with the representatives and with third parties by PM if, as and when reasonably requested by PM; and
- PM will supply or have the right to approve or reject in advance, all material to be used, and the manner of such use, at or in connection with the Event, including advertising and promotional materials;
- Provide a wrap-up report within one week of conclusion of the Event.

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Source: https://www.industrydocuments.ucsf.edu/docs/pyhn0004

JOE: AGAIN, EMI WILL SUPPLY BUDGET ESTIMATE ON MONDAY JULY 20, 1998.
OPERATING BUDGET (OUT-OF-POCKET EXPENSES)

I. Staff Travel Expenses
New York City Philip Morris Planning Trips
Event Supervisor Trips

II. Talent
Talent Recommendations
Artist Fee
Travel
- Hotel
- Airfare
- Ground Transportation

III. Host/Celebrity DJ
Host/Celebrity DJ Recommendations
Host/Celebrity DJ Fee
Travel
- Hotel
-Airfare
- Ground Transportation

VI. Caterer
Caterer Recommendations
Food
Equipment (tablecloths, cups, napkins, etc.)

VI. Administrative Costs
Telephones
Mail (Post Office/Fed Ex)
Total for Administrative Costs (Reimbursed)

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Source: https://www.industrydocuments.ucsf.edu/docs/pyhn0004